

M For Reporting a Member's Lump Sum Payments

Although lump sum payments can be reported with status code M, it is preferable to use status code A for your reporting. To report a lump sum payment with status code A, use a separate line on the transmittal to identify each earning period to which the payment is to be applied. For each earning period, report the amount of compensation and contributions that apply.

The following are examples of the types of lump sum payments that are reported with status code M.

- Lump sum settlements resulting from employment agreements
- Court-ordered back-pay settlements
- Holiday and longevity pay
- Lump sum bonus payments (if reportable compensation)

Status code M is also used to report lump sum reductions in compensation. (The compensation must be reversed by each contribution rate period that applies.) Be aware of the following points when reporting lump sum payments with status code M:

- The lump sum payment must be reportable compensation.
- No service should be reported with status code M; service must have been reported previously.
- If the earning period for the lump sum payment falls into more than one contribution rate period, use separate lines on the transmittal to report the earnings applicable to each rate period. (See the example below.)
- If the earning period for the lump sum payment falls into the period of time used to calculate the member's retirement benefit (the AFC period), a month-by-month breakdown of the lump sum payment will be required at the time of the member's retirement.

Washington State Department of Retirement Systems

Member Earnings Transmittal Report

Rpt Grp (Dept)	System	Plan	Reporting Period	Employer Name	Prepared by	Phone	Page
1234	P	2	09/1999	Example, City of	Dawn Riley	(360) 123-4567	1

Member Information				Earnings Information													
				Earning Period		Status	Compensation		Member Contributions		Employer Contributions		Hour/ Days	Begin Date		End Date	
SSN:	234 56 7890	Name:	Moe, Joe	08	99	M	1954	00	99	26	148	89	0	0			
Gender:	M	Birth:	07/28/55	Type:	03												
SSN:	234 56 7890	Name:	Moe, Joe	09	99	M	50	00		90	3	75	0	0			
Gender:	M	Birth:	07/28/55	Type:	03												

S For Reporting a Member or a Retiree Returning to Work Separated from Service

If you report using the single record format, use the S code to report that an employee has been separated from employment and/or a member who is no longer eligible for retirement system membership.

When reporting with status code S:

- Enter the employee's last date of service in the End Date field. (Make sure the month and year of the end date you enter matches the month and year of the earning period you enter on the same transmittal line.)
- Report only regular compensation and service with status code S. (If you have cash out payments to report for PERS Plan 1, TRS Plan 1 or WSPRS, use separate lines on the transmittal to report these cash outs. See the following section called "Using Cash out Codes" for details.)
- Report with status code S on the *final* transmittal that will show compensation for the employee. For example, a school district employee may stop working in June but continues to be paid through August. Because the employee continues to receive compensation until August, you will need to wait to separate the employee with status code S on the August transmittal.

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Rpt Grp (Dept)	System	Plan	Reporting Period	Employer Name	Prepared by	Phone	Page
1234	P	2	08/1999	Example, City of	Dawn Riley	(360) 123-4567	1

Member Information				Earnings Information															
SSN:		Name:		Earning Period	Status	Compensation	Member Contributions	Employer Contributions	Hour/ Days	Begin Date			End Date			Seq No.			
234 56 7890		Moe, Joe		08	99	S	1532	00	71	33	114	90	148	0			08	31	99
Gender: M		Birth: 07/28/55		Type: 03															

Note: If you report using the multirecord format, do not report the status code S. Report the date the employee separated from employment or is no longer eligible for retirement system membership using eligibility end date on the Employment Information Record.

Using Cash Out Codes

The status codes used to report lump sum leave cash outs are referred to as “cash out codes.”

Before Using a Cash out Code

Before you use a cash out code for reporting a lump sum leave payment, be aware of the following points:

- Cash outs of vacation, sick leave, personal holiday, personal days or any accrued leave are **not** reportable for PERS Plan 2 and Plan 3, TRS Plan 2 or Plan 3, or LEOFF Plan 1 or Plan 2 members.
- Cash out codes may be used for reporting PERS Plan 1, TRS Plan 1 and WSPRS members and retirees returning to work **only**.
- You should not report cash outs of compensatory time with a cash out code; instead, use status code A. (See the explanation of compensatory time under status code A.)

Using a Cash Out Code

If you use a cash out code to report a lump sum leave payment, be sure to:

- Use one line for your reporting.
- Assign the total lump sum payment to a single earning period.

Note: You can report a cash out payment for an employee who is separated from the transmittal. Enter the month and year in the Earning Period field the date the employee was last reported. If you want to use the June 1999 transmittal to report a cash out for an employee who was separated in March 1999, enter 03/99 as the earning period when you report the employee.

Report the lump sum payment in the compensation field, report the contributions due on that payment in the contributions field, and report the service in the hours/days field. (If you report by prelist, use the applicable columns for your reporting.)

Keep a record of the payment and the months in which the leave cash out was earned. DRS may request this record if the cash out falls within the period of time used to determine a member's retirement benefit (the AFC period). Your documentation will help identify the calendar months in which the leave was earned.

The example below shows how a lump sum cash out of vacation leave could be reported using status code T.

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Member Earnings Transmittal Report

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1234	P	1	07/1999	Example, City of	Dawn Riley	(360) 123-4567	1

Member Information				Earnings Information											
				Earning Period	Status	Compensation	Member Contributions		Employer Contributions		Hour/ Days	Begin Date	End Date	Seq No.	
SSN:	234 56 7890	Name:	Moe, Joe	07	99	T	2680	00	160	80	201	00	90	0	
Gender:	M	Birth:	07/28/55	Type:	03										

Codes for Reporting Cash Outs

N Reporting Vacation Leave Cash Outs (Non-Retiree or Retiree Returning to Work)

Use this code to report vacation leave cash outs. This code is valid for nonretiring PERS Plan 1, TRS Plan 1 and WSPRS members or retirees returning to work. Report compensation, contributions (not for retirees) and the amount of hours or days used to determine the cash out amount.

P For Reporting Sick Leave Cash Outs (Non-Retiree or Retiree Returning to Work)

Use this code to report sick leave cash outs. This code is valid for nonretiring PERS Plan 1 members or retirees returning to work, provided the member can have the cash out payment included in the computation of the retirement benefit. Report compensation, contributions (not for retirees), and the amount of hours used to determine the cash out amount.

Note: If you are a state agency or an education employer, do not report sick leave cash outs for your employees. Sick leave cash outs are not included in the employee's retirement benefit calculation.

R For Reporting Other Cash Out Payments (Non-Retiree or Retiree Returning to Work)

Use this code to report cash out payments *other than* regular compensation, overtime, sabbatical leave, vacation leave, compensatory leave, or sick leave. Examples of *other cash out payments* are severance pay accrued over time or personal days. This code is valid for nonretiring PERS Plan 1 and TRS Plan 1 members or retirees returning to work. The cash out payment must be considered reportable compensation. Report compensation, contributions (not for retirees) and the amount of hours or days used to determine the cash out amount.

T For Reporting Vacation Leave Cash Outs (Retiree)

Use this code to report vacation leave cash outs earned during the employee's last 24 months of employment. PERS and WSPRS may cash out up to 240 hours; TRS up to thirty days. This code is valid for retiring PERS Plan 1, TRS Plan 1 and WSPRS members. Report compensation, contributions and the amount of hours or days used to determine the cash out amount.

Note: See status code U if an employee has a vacation leave cash out in excess of 240 hours to report.

U For Reporting Excess Vacation Leave Cash Outs (Retiree)

Use this code to report the portion of a cash out of vacation leave earned during the last 24 months of employment that is *over and above* 240 hours or 30 days. This code is valid for retiring PERS Plan 1, TRS Plan 1 and WSPRS members. Report compensation, contributions, and the amount of hours or days used to determine the cash out amount. Compensation reported with this code will result in an excess compensation billing.

Note: Vacation leave cash outs in excess of 240 hours or 30 days should not be reported for employees of state agencies or higher education institutions unless the employee has a letter of necessity authorizing this reporting. Contact the PERS, TRS or WSPRS retirement system for assistance with determining whether an employee should be reported with this code. If instructed to use status code U, report only that portion of the vacation leave cash out that is over and above 240 hours (PERS, WSPRS) or 30 days (TRS).

V For Reporting Vacation Leave Cash Outs (Retiree)

Use this code to report vacation leave cash outs earned *prior to* the employee's last 24 months of employment. This code is valid for retiring PERS Plan 1 and TRS Plan 1 members. Report compensation, contributions and the amount of hours or days used to determine the cash out amount.

W For Reporting Sick Leave Cash Outs (Retiree)

Use this code to report sick leave cash outs earned during the last 24 months of employment. This code is valid for retiring PERS Plan 1 members, provided the member can have the cash out payment included in the computation of the retirement benefit. Report compensation, contributions, and the amount of hours used to determine the cash out amount. Compensation reported with this code will result in an excess compensation billing.

Note: If you are a state agency or an education employer, do not report sick leave cash outs for your employees. Sick leave cash outs are not included in the employee's retirement benefit calculation.

X For Reporting Sick Leave Cash Outs (Retiree)

Use this code to report sick leave cash outs earned *prior to* the last 24 months of employment. This code is valid for retiring PERS Plan 1 members. Report compensation, contributions, and the amount of hours used to determine the cash out amount.